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ATTACHMENT 1

REVISED 01/19/01

RFP #K151 MODEL CONTRACT

ADMINISTRATIVE SERVICES CONTRACT

between

CONTRACTOR

and

THE STATE OF WASHINGTON HEALTH CARE AUTHORITY

In consideration of the payment of fees to be made by the Health Care Authority (the Authority or HCA) and the conditions specified in this Contract, and with HCA relying on the Contractor's proposal, ____ (Contractor) agrees to provide administrative services and elements of a national provider network for the Uniform Medical Plan (UMP) of the HCA, as specified in this contract. The HCA will have responsibilities as set forth in this Contract. The Contract is subject to the terms and conditions set forth in it. In addition to the following sections, the Contract also includes exhibits as shown below <*the designations and content of exhibits are subject to change*>. If there is any inconsistency between the terms of this Contract the following order of precedence applies: Sections 1-11, Exhibit A, Exhibit F, Exhibit E, Exhibit D, Exhibit G, Exhibit C, and then Exhibit B.

This Contract is effective on the date both parties have signed it and will remain in effect through December 31, 2014 unless terminated earlier or extended as provided below. Except as noted, the Contractor will begin services at the start of the UMP benefit year, January 1, 2011. HCA may extend this Contract through December 31, 2019, at its sole option, in whichever time increments HCA chooses, by notice to Contractor.

Upon signing this Contract, the Contractor will undertake a structured contract implementation plan to support HCA's annual PEBB open enrollment activities in fall 2010 and assumption of specified administrative service and provider network responsibilities beginning January 1, 2011.

In Witness whereof, Contractor and the HCA have caused this Contract to be signed as of the date below by their respective officers who are duly authorized.

CONTRACTOR LIFE INSURANCE COMPANY	**WASHINGTON STATE HEALTH CARE AUTHORITY**
By _____	By _____
Title _____	Title _____
Date _____	Date _____

Approved as to form by the Office of the Attorney General.

Table of Contents

SECTION 1: HCA & UMP RESPONSIBILITIES

1.1 Responsibility

HCA retains final authority and responsibility for the UMP and its operation. HCA will fund all benefits for claims incurred during the term of this Contract.

1.2 Information

HCA will promptly furnish information and materials that HCA has and that are requested by Contractor that are reasonably necessary so that Contractor may provide its services as specified in this Contract. HCA is responsible for the completeness and accuracy of that information and materials.

1.3 Eligibility Information

The HCA will give Contractor daily electronic eligibility information. Contractor may rely upon the latest information received as correct without further verification unless there is an obvious error. When necessary, the HCA may provide eligibility updates by telephone, followed by confirmation in writing. Eligibility information may or may not be in a format compliant with HIPAA.

1.4 Procedures

UMP will require all enrollees to follow consistent procedures in applying for Plan benefits.

1.5 Payment of Administrative Charges

HCA will remit monthly to Contractor the administrative fees specified in Exhibit A, “Base Administrative Fees,” based on HCA’s enrollment information. HCA will pay the administrative fees by electronic funds transfer on the fifth working day of each month based upon enrollment information as of the last day of the previous month. HCA will pay the charges described in Exhibit A, Base Administrative Fees, for services performed as provided in this Contract. These payments are subject to the provisions of section 3, Administrative Performance Standards and Guarantees. No fee is payable until the monthly fee in February 2011 (based on enrollment in January 2011).
Compensation for implementation and other services performed in 2010 is included in the administrative fees payable beginning in 2011. HCA will not pay anything to Contractor except as specifically provided in this Contract.

1.6 Funding Claims

1.6.1 General

Contractor will report to HCA claims paid every weekday except holidays, before 3:00 PM Pacific time. HCA will reimburse by wire transfer to a bank account designated by Contractor. HCA will wire the funds three business days after receiving the Contractor report.

1.6.2 Nonpayment

If HCA fails to respond to Contractor's or the bank's initial request to provide funds to the bank for the payment of claims, Contractor will follow up with HCA to confirm whether HCA received and does not contest the funding request. If HCA does not pay uncontested amounts after Contractor confirms the request was received and is not

contested, Contractor may cease processing of benefit payment requests until the requested funds have been provided.

1.7 UMP Account Manager

UMP designates the following account manager for this Contract. UMP may designate a different account manager at any time and from time to time by written notice to Contractor.

Name: Janie Hanson
Phone: (206) 521-2028
Email: Janie.Hanson@hca.wa.gov
Fax: (206) 521-2001
Address: Washington State Health Care Authority
1511 Third Ave., Suite 201
Seattle WA 98101

SECTION 2: CONTRACT ADMINISTRATIVE SERVICES

< To be added from draft Statement of Work>

SECTION 3: ADMINISTRATIVE PERFORMANCE STANDARDS AND GUARANTEES

< To be added from draft Statement of Work>

SECTION 4: PROVIDER NETWORK

< To be added from draft Statement of Work>

SECTION 5: HEALTH CARE REFORM

< To be added from draft Statement of Work>

SECTION 6: WORK ORDERS

< To be added from draft Statement of Work>

SECTION 7: OUTCOMES BASED FINANCIAL PERFORMANCE GUARANTEE

< To be added from draft Statement of Work>

SECTION 8: BUSINESS ASSOCIATE

8.1 General

Contractor is or may be a “Business Associate” of UMP or HCA as defined in the privacy and security rules. The provisions in this section relate to that relationship. The provisions in this section do not replace any other provisions of this Contract.

8.2 Definitions

8.2.1 General

Terms used, but not otherwise defined, in this section 8 have the same meaning as those terms in 45 CFR 160.103 and 164.501.

8.2.2 “Privacy Rule”

The “Privacy Rule" is the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.

8.2.3 “Protected Health Information”

“Protected Health Information" has the same meaning as the term “protected health information" in 45 CFR 164.501, limited to the information created or received by Contractor from or on behalf of UMP or HCA.

8.2.4 “Security Rule”

The “Security Rule” is the security standards adopted in 45 CFR parts 160, 162, and 164, adopted under the federal Health Insurance Portability and Accountability Act of 1996.

8.3 Obligations and Activities of Contractor as a Business Associate

8.3.1 Further Disclosures

Contractor will not use or further disclose Protected Health Information of UMP enrollees other than as permitted or required by this Contract or as required by law.

8.3.2 Appropriate Safeguards

Contractor will use appropriate safeguards and will proactively monitor its subcontractors to cause them to take appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Contract.

8.3.3 Mitigation

Contractor will mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of Protected Health Information by Contractor in violation of the requirements of this Contract.

8.3.4 Reporting Other Uses or Disclosures

Contractor will report to HCA any use or disclosure of the Protected Health Information not provided for by this Contract. Contractor will make these reports to the HCA Contract Manager within five days after the use or disclosure, or within five days after Contractor discovers a use or disclosure that is likely to involve HCA members, whichever is later. If

Contractor cannot provide conclusive information relating to the use or disclosure until a full investigation has occurred, then it will provide what information it can within five days, and full details no later than 15 days after discovery of the use or disclosure.

8.3.5 Contractor's Agents

Contractor will ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Contractor on behalf of, HCA agrees to the same restrictions and conditions that apply through this Contract to Contractor with respect to such information. Contractor will require each subcontractor protects the confidentiality and integrity of such information, and to provide for the accessibility of such information.

8.3.6 Access by HCA

Contractor will provide access, at the request of HCA, and in a feasible time and manner designated by HCA, to Protected Health Information in a Designated Record Set, to HCA or, as directed by HCA, to an individual in order to meet the requirements under 45 CFR 164.524.

8.3.7 Amending PHI

Contractor will make any amendment(s) to Protected Health Information (PHI) in a Designated Record Set that the HCA directs or agrees to pursuant to 45 CFR 164.526 at the request of HCA or an individual, and in a feasible time and manner designated by HCA.

8.3.8 Contractor's Practices

Contractor will make internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received by Contractor on behalf of, HCA available to the HCA, or at the request of the HCA to the Secretary, in a feasible time and manner designated by the HCA or the Secretary, for purposes of the Secretary's determining HCA's compliance with the Privacy Rule.

8.3.9 Documenting Disclosures

Contractor will document such disclosures of Protected Health Information and information related to such disclosures as would be required for HCA to respond to a request by an individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528.

8.3.10 Information Requests

Contractor will provide to HCA or an individual, in a feasible time and manner designated by HCA, information collected in accordance with this Contract, to permit HCA to respond to a request by an individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528.

8.3.11 Protection of Electronic Protected Health Information

With respect to Electronic Protected Health Information, Contractor shall:

a. Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic Protected Health Information that Contractor creates, receives, maintains, or

transmits on behalf of HCA as required by the Security Standards;

b. Ensure that any agent, including a subcontractor, to whom Contractor provides such information agrees to implement reasonable and appropriate safeguards to protect it; and

c. Report to HCA any security incident of which it becomes aware. Security incidents that involve ineffective attacks, such as a “ping” on Contractor’s communications network, may be reported in quarterly summaries. Contractor will report quarterly on patterns of pings, and other nontrivial security incidents.

8.3.12 Protected Health Information of other Entities.

Contractor may have PHI relating to entities other than UMP. Contractor will assure that personnel working with or for those other entities do not have any access to PHI relating to UMP enrollees. Contractor will also assure that personnel working with or for UMP or HCA do not have any access to PHI relating to any of those other entities.

8.4 Permitted Uses and Disclosures by Contractor

Except as otherwise provided in this Contract, Contractor may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, UMP as specified in this Contract, but only if and to the extent that such use or disclosure would not violate the Privacy or Security Rule if done by UMP.

8.5 Obligations of UMP

8.5.1 Notice of Privacy Practices

UMP will provide Contractor with the notice of privacy practices that UMP produces in accordance with 45 CFR 164.520, as well as any changes to that notice.

8.5.2 Individual Permissions

UMP will provide Contractor with any changes in, or revocation of, permission by an individual to use or disclose Protected Health Information, if those changes affect Contractor's permitted or required uses and disclosures.

8.5.3 Agreed Restrictions

UMP will notify Contractor of any restriction to the use or disclosure of Protected Health Information to which UMP has agreed in accordance with 45 CFR 164.525.

8.6 Permissible Requests by UMP

UMP will not request Contractor to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by UMP.

8.7 Effect of Termination

8.7.1 Return of PHI

Except as provided in subsection 8.7.2 of this section, upon termination of this Contract, for any reason, Contractor will return or destroy all Protected Health Information received from UMP, or created or received by Contractor on behalf of UMP. This provision will apply to Protected Health Information that is in the possession of subcontractors or

agents of Contractor. Contractor will retain no copies of the Protected Health Information.

8.7.2 When Return Is Infeasible

If Contractor determines that returning or destroying the Protected Health Information is infeasible, Contractor will report to UMP the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of Protected Health Information is infeasible, Contractor will extend the protections of this Contract to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Contractor maintains such Protected Health Information.

8.8 Miscellaneous

8.8.1 Regulatory References

A reference in this Contract to a section in the Privacy Rule means the section as in effect or as amended, and for which compliance is required.

8.8.2 Amendment

The Parties agree to take such action as is necessary to amend this Contract from time to time as is necessary for UMP and HCA to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act, Public Law 104-191.

8.8.3 Survival

The respective rights and obligations of Contractor under this section of this Contract will survive the termination of this Contract.

8.8.4 Interpretation

Any ambiguity in this Contract will be resolved in favor of a meaning that permits UMP and HCA to comply with the Privacy Rule.

8.9 American Recovery and Reinvestment Act

Contractor will comply with each provision of the American Recovery and Reinvestment Act of 2009 (“ARRA”) that extends a Privacy Rule or Security Rule requirement to business associates of covered entities.

8.10 Notice of Breach

If Contractor or any subcontractor of Contractor allegedly makes or causes, or fails to prevent, a use or disclosure constituting a Breach, and notification of that use or disclosure must (in the judgment of HCA) be made under subsection 8.3, or under RCW 45.56.590 or RCW 19.255.010 or other applicable law, then

A. HCA may choose to make the notifications or direct Contractor to make them, and

B. Contractor will pay the costs of the notification and of other actions HCA considers appropriate to protect enrollees (such as paying for regular credit watches).

SECTION 9: GENERAL PROVISIONS

9.1 Hold Harmless

UMP and Contractor will each be responsible for its own acts and omissions, and the acts and omissions of its agents and employees. Likewise, Contractor will be responsible for the acts and omissions of its subcontractors. Each party to this Contract will defend, protect, and hold harmless the other party, or any of the other party's agents, from and against that portion of any loss and all claims, settlements, judgments, costs, penalties, and expenses (including attorney fees) arising from any willful misconduct or dishonest, fraudulent, reckless, unlawful, or negligent act or omission of the first party, while performing under the terms of this Contract except to the extent that such losses result from the willful misconduct or dishonest, unlawful, reckless, fraudulent, or negligent act or omission on the part of the second party. Each party agrees to promptly notify the other party in writing of any claim and provide the other party the opportunity to defend and settle the claim. Contractor will not, however, indemnify UMP or HCA for negligent acts that result in mispayments or overpayments, Contractor's obligations for which are set forth elsewhere in this Contract.

9.2 Defense of Legal Actions

Each party will advise each other as to matters that come to its attention with respect to potential substantial legal actions involving the UMP, and will promptly advise each other of legal actions commenced against or for the benefit of each party that come to its attention. Each party will fully cooperate with the other in the defense of any action arising out of matters related to this Contract by providing without additional fee all information relating to disputed claims and providing necessary testimony. Contractor and its subcontractors, if any, will fully cooperate with UMP to assist in prosecuting any action, including but not limited to antitrust or fraud actions prosecuted on behalf of UMP or the HCA or the State of Washington, by providing without additional fee all information relating to such causes of action and providing necessary testimony.

9.3 Audits

UMP may require an audit or audits of Contractor’s performance under this Contract. Contractor will be given a complete and accurate listing of the transactions to be pulled for the audit not less than 30 business days before the date the audit is to begin, unless mutually determined otherwise. The audit(s) may be performed by HCA staff, by another state agency, by Milliman, or by another auditor agreed upon by Contractor and HCA. The scope of the audit(s) will be communicated to Contractor before commencement of the audit(s). Contractor will have the right to examine and comment on the draft of any final audit report before it is made final. The fee of any professional audit firm(s) will be borne by UMP, but only for audits commissioned by UMP.

9.4 Assignment

No assignment by either party pertaining to this Contract will be valid without the prior written consent of the other party, which consent will not be unreasonably withheld.

9.5 Independent Contractor

Contractor and its employees or agents performing under this Contract are not employees or agents of UMP or the HCA. Contractor and its employees and agents will not hold themselves out as, nor claim to be, officers or employees of the HCA or of the state of Washington by

reason hereof, nor will Contractor or its employees or agents make any claim of right, privilege, or benefit which would accrue to an employee of the state under law.

9.6 Prime Contractor

The Contractor will serve as the Prime Contractor and will be HCA's primary point of contact that bears sole responsibility for performance under the awarded contract.

9.7 Modification of Contract

9.7.1 General

No modification or amendment of the terms of this Contract will be valid unless in writing and signed by an authorized agent of HCA and of Contractor. Notwithstanding the foregoing, any provisions of this Contract which, on or after its effective date, are in conflict with applicable state or federal laws or regulations, are hereby amended to conform to the minimum requirements of such laws or regulations.

9.7.2 Notice of Plan Changes

UMP will furnish Contractor with a copy of each modification or amendment of the UMP benefits as soon as is practicable. The term "Plan" as used in this Contract will include each such modification or amendment. UMP will give Contractor 90 days notice of plan benefit changes intended for each new plan year.

9.8 Termination

9.8.1 Termination by HCA

a. Termination for Convenience – In addition to contract termination permitted under paragraphs 9.17 (Funding or Legal Authority Limitations) and 9.30 (Contingencies), HCA may terminate this Contract, at HCA's sole discretion, by giving 120 days written notice. If this Contract is so terminated, HCA shall be liable only for properly authorized services rendered and accepted by HCA before the effective date of Contract termination and for reimbursement of all claims adjudicated before that date in accordance with subsection 1.6. This Termination for Convenience Clause may be invoked by the HCA when HCA determines it is in the best interest of the State of Washington. HCA shall consult with Contractor in good faith during the 120 day notice period and cooperate with Contractor to seek to arrive at an accommodation that meets the State of Washington's needs without termination.

b. HCA may terminate without cause as of December 31, 2012, by giving Contractor notice no later than October 31, 2012.

c. Other – HCA may terminate this Contract by giving Contractor 60 days written notice, upon occurrence of any of the following:

    i. Any material breach on the part of Contractor.

    ii. UMP has informed Contractor in writing of Contractor's failure to comply with one or more performance standards (as stated in Section 3) in two consecutive quarters, and Contractor has not taken effective and prompt steps to correct the alleged failures or unsatisfactory performance or to demonstrate that the concerns of UMP are not justified.

d. If the Contract is terminated, all applicable post-contract obligations, including those in paragraph 8.7 (Effect of Termination), shall apply.

9.8.2 Termination by Contractor

This Contract may be terminated at any time by Contractor, by giving advance written notice received by HCA not less than six months prior to termination, for failure of HCA to pay the monthly fees in the amounts and manner specified in this Contract, or for other material breach of this Contract by HCA.

9.8.3 Termination Procedure

a. The party seeking to terminate this Contract pursuant to paragraphs 9.8.1 or 9.8.2 will give any advance written notice provided above of the intent to terminate. The notice will explain the reason for termination, if any is required, and will include an explanation of any alleged breach. Notwithstanding anything herein provided to the contrary, the breaching party will have the right to cure the breach during the notice period. The party seeking to terminate this Contract will promptly review any efforts to cure the alleged breach and determine whether such efforts are sufficient to cure the breach.

b. Termination will be in addition to any other remedies that may be available by law or under this Contract. Termination of this Contract will not terminate the rights or liabilities of either party arising out of performance for any period prior to such termination.

9.9 Services after Termination <*To be added from draft Statement of Work*>

9.10 Data of UMP

A. Except as is reasonably necessary for the fulfillment of its obligations under this Contract, Contractor will not disclose proprietary information about the administration of the Plan without the prior written permission of UMP unless required by law or regulatory authority or by judicial order or process.

B. All original material, either written or readable by machine, prepared for or with UMP or the HCA under this Contract will belong to and be the property of the HCA unless otherwise agreed. Subject to its obligations under this Contract, Contractor is granted an irrevocable, nonexclusive, unrestricted, worldwide and fully paid license, with the unrestricted right to sublicense others, with respect to such original material and under any discoveries, ideas, inventions, or improvements disclosed therein which were made solely by Contractor and the HCA. The HCA expressly agrees that its rights and ownership will not extend to, or encompass any software programs made available as part of the services, or to the ideas, concepts, know-how or techniques used by Contractor in rendering services to UMP, unless developed solely for HCA use and paid for by UMP.

C. All claims data is the property of the state, pursuant to RCW 41.05.075. Contractor agrees all data accumulated by Contractor from claims on enrollees will be given to UMP upon request with reasonable notice.

D. UMP agrees to allow Contractor to pool its data anonymously with other claim data Contractor collects for the purpose of trend and statistical analysis.

9.11 Advance Payments Prohibited

No payment in advance or in anticipation of services or supplies to be provided under this Contract will be made by UMP or the HCA. UMP or the HCA has no obligation to pay Contractor for activities or services performed by Contractor before the effective date of the Contract.

9.12 Communication with Enrollees

Contractor may communicate directly with state employees and their dependents individually or personally, but only as is reasonably necessary to carry out Contractor's obligations to HCA.

9.13 Disputes

Except as otherwise provided in this Contract, when a bona fide dispute arises between UMP and Contractor and it cannot be resolved, either party may request a dispute hearing with the Administrator of the HCA (who may name a designee). Disputes will be resolved as quickly as possible.

9.13.1 Request

The request for a dispute hearing must:

- be in writing;
- state the disputed issue(s);
- state the relative positions of the parties;
- state Contractor's name, address, and contract number; and
- be mailed to the UMP Contract Manager or Contractor, whichever is not requesting the hearing, within three business days after the parties agree that they cannot resolve the dispute.

If the parties do not agree whether resolution is possible, either may give the other written notice that there appears to be an impasse, identifying the issue, and if the matter is not then resolved within seven days, either party may request a dispute hearing.

9.13.2 Response

The respondent will send a written answer to the requester's statement to both the Administrator of the HCA and the requester within five business days.

9.13.3 Action

The Administrator of the HCA will review the written statements and reply in writing to both parties within ten business days. The Administrator of the HCA may extend this period if necessary by notifying the parties.

9.13.4 Prerequisite

The parties agree that this dispute process will precede any action in a judicial or quasi-judicial tribunal.

9.13.5 Continuation

Regardless of the dispute, UMP and Contractor will continue without delay to carry out all their respective responsibilities under this Contract which are not affected by the dispute. Both parties agree to exercise good faith in the dispute resolution and to attempt in good faith to settle disputes before commencing any judicial action.

9.14 Right of Inspection

Contractor will provide right of access to its facilities to UMP, or any of its officers, or to any other authorized agent or official of the state of Washington at all reasonable times, with reasonable advance notice, in order to monitor and evaluate performance, compliance, and quality assurance under this Contract. Those persons also will be given access to Contractor documentation such as policies, procedures, and internal reports, but only those that relate to the services provided by Contractor under this Contract.

9.15 Confidentiality

9.15.1 Confidentiality Standards

Contractor and its officers, directors, and employees performing under this Contract will comply with chapter 70.02 RCW regarding health care information use, access, and disclosure, and any other applicable state or federal statutes or rules pertaining to privacy protection, including but not limited to HIPAA. Besides HIPAA, these include but are not limited to the Governor's Executive Order on the Protection of Personal Information (EO 00-03) and the Washington Health Care Patient Bill of Rights. Contractor will assure that any subcontractor agrees to protect confidentiality as provided in this subsection 9.15. If there is a conflict between the provisions in this subsection 9.15 and those in Section 8 (page 3), Business Associate, then Section 8 controls.

HCA will also maintain the confidentiality of any enrollee identifiable information provided to it by Contractor in accordance with the confidentiality requirements set forth in this subsection 9.15. In addition, HCA is responsible for assuring that any other Contractors of HCA who receive such information protect its confidentiality as provided in this subsection 9.15.

9.15.2 Uses of Personal Information

Personal information collected, used, or acquired in connection with this Contract will be used solely for the purposes of this Contract. Contractor and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of UMP or as required by law. Contractor agrees to implement physical, electronic, and managerial safeguards to prevent unauthorized access to personal information.

9.15.3 Permitted Disclosures

Under certain limited circumstances Contractor may disclose such information to other parties without prior authorization. Such circumstances may include disclosure:

a. complying with a court subpoena or judicial order;

b. to a medical provider or institution for the purpose of verifying coverage or benefits or conducting an audit; or

c. to administer coordination of benefits provisions.

9.15.4 Responsibility for Violations

UMP and the HCA will not be in any way responsible for violations of privacy laws, statutes, or regulations when such violations arise from the unauthorized acts or

omissions of Contractor or its officers, directors, or employees. Contractor agrees to indemnify and hold harmless UMP and the HCA for any damages related to unauthorized use or disclosure of personal information.

9.15.5 Procedures

Contractor agrees to implement and maintain procedures that are reasonably designed to prevent the inappropriate disclosure of confidential "personal information" to third parties.

9.15.6 "Personal Information"

For purposes of this provision, personal information includes, but is not limited to, information identifiable to an individual that relates to a natural person's health, finances, education, business, use or receipt of governmental services, or other activities, names, addresses, phone numbers, social security numbers, driver license numbers, financial profiles, credit card numbers, financial identifiers, and other identifying numbers.

9.15.7 Confidentiality Audit

At any time, upon reasonable notice, HCA has the right to inspect Contractor's confidentiality policies and procedures. HCA also has the right to audit Contractor's compliance with its confidentiality policies and procedures, including Contractor's oversight of agents' and subcontractors' compliance with Contractor's confidentiality policies and procedures. If the HCA has reason to believe that Contractor or its agents or subcontractors are in material breach of the confidentiality provisions of this agreement, HCA will share the supporting information with Contractor and will allow Contractor 30 days to rebut or refute the claim that Contractor is in material breach with such provisions. HCA will also independently investigate the situation. Any audit or inspection conducted pursuant to this section shall be subject to the following:

a. Contractor and HCA shall mutually agree in advance upon the timing and location of such an inspection; the scope of the audit or inspection is limited to information, policies, and procedures of Contractor, its agents, or subcontractors, that appear pertinent to UMP enrollees and Contractor's performance under the Contract and the potential breach.

b. HCA shall protect the confidentiality of all confidential and proprietary information of Contractor to which HCA or any of its agents, subcontractors or employees has access during the course of such inspection to the extent permitted by law; and

c. HCA shall, and shall cause its agents, subcontractors or employees participating in such audit to, execute a nondisclosure agreement, upon terms permitted by law and mutually agreed upon by the parties, if requested by Contractor.

9.16 Conflict of Interest

Notwithstanding any determination by the Executive Ethics Board or other tribunal, UMP may, in its sole discretion, by written notice to Contractor, terminate this Contract if it is found after due notice and examination that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW, or any similar statute involving Contractor in the procurement of services under this Contract.

If this Contract is terminated as provided above, UMP will be entitled to pursue the same remedies against Contractor as it could pursue in the event of a breach of the Contract by

Contractor. The rights and remedies of UMP provided for in this provision are not exclusive and are in addition to any other rights and remedies provided by law.

The existence of facts upon which the Administrator of the HCA makes any determination under this clause may be reviewed as provided in the "Disputes" clause of this Contract.

9.17 Funding or Legal Authority Limitations

Notwithstanding any other provision in this Contract, if UMP or HCA's authority to perform any of its duties is withdrawn, reduced, or limited, or if funding from state, federal, or other sources is withdrawn, reduced or limited in any way, UMP may terminate the Contract immediately, subject to renegotiation at UMP's discretion under those new authority or funding limitations and conditions. If this Contract is so terminated, UMP will be liable only for payment in accordance with the terms of this Contract for services rendered prior to the effective date of termination and paragraphs 9.8 Termination, and 9.9 Services After Termination will apply.

9.18 Licensing, Accreditation, and Registration

Contractor will comply with all applicable local, state, and federal licensing, accreditation, and registration requirements/standards necessary for the performance of this Contract.

9.19 Insurance Coverage

Contractor shall, at its own expense, obtain and keep in force insurance coverage which shall be maintained in full force and effect during the term of the contract. Upon request from HCA, Contractor shall provide a Certificate(s) of Insurance executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below.

Additionally, Contractor is responsible for ensuring that any partnering organization(s) AND subcontractors provide adequate insurance coverage for the activities arising out of subcontracts.

9.19.1 Liability Insurance

a. Commercial General Liability Insurance: Contractor shall maintain general liability (CGL) insurance and, if necessary, commercial umbrella insurance, with a limit of not less than $5,000,000 per each occurrence. If CGL insurance contains aggregate limits, the General Aggregate limit shall be at least twice the "each occurrence" limit. CGL insurance shall have products-completed operations aggregate limit of at least two times the "each occurrence" limit. CGL insurance shall be written on ISO occurrence from CG 00 01 (or a substitute form providing equivalent coverage). All insurance shall cover liability assumed under an insured contract (including the tort liability of another assumed in a business contract), and contain separation of insured's (cross liability) condition.

b. Professional Liability: Errors and Omissions coverage with a limit of not less than $1,000,000 per occurrence and $2,000,000, aggregate.

c. Crime Coverage: Including fraud, forgery, money and securities and employee dishonesty coverage with a per occurrence limit equal to the maximum amount of money and/or securities any employee might have access to at any one time.

d. Business Auto Policy: As applicable, Contractor shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a limit not less than

$1,000,000 per accident. Such insurance shall cover liability arising out of “Any Auto.” Business auto coverage shall be written on ISO form CA 00 01, 1990 or later edition, or substitute liability form providing equivalent coverage.

9.19.2 Employers Liability (“Stop Gap”) Insurance

In addition, Contractor shall buy employers liability insurance and, if necessary, commercial umbrella liability insurance with limits not less than $1,000,000 each accident for bodily injury by accident or $1,000,000 each employee for bodily injury by disease.

9.19.3 Additional Provisions

The above insurance policies shall include the following provisions:

a. Additional Insured. The State of Washington, Health Care Authority, its elected and appointed officials, agents and employees shall be named as an additional insured on all general liability, excess, umbrella and property insurance policies. All insurance provided in compliance with this contract shall be primary as to any other insurance or self-insurance programs afforded to or maintained by the State, but only as respects the acts or omissions of Contractor, its employees, agents, or subcontractors.

b. Cancellation. State of Washington, Health Care Authority, shall be provided written notice before cancellation or non-renewal of any insurance referred to therein, in accord with the following specifications. Insurers subject to 48.18 RCW (Admitted and Regulation by the Insurance Commissioner): The insurer shall give HCA 45 days advance notice of cancellation or non-renewal. If cancellation is due to non-payment of premium, HCA shall be given 10 days advance notice of cancellation. Insurers subject to 48.15 RCW (Surplus lines): HCA shall be given 20 days advance notice of cancellation. If cancellation is due to non-payment of premium, HCA shall be given 10 days advance notice of cancellation.

c. Identification. Certificates must reference HCA’s contract number and the agency name.

d. Insurance Carrier Rating. All insurance and bonds must be issued by companies admitted to do business within the State of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best’s Reports. Any exception shall be reviewed and approved by the Health Care Authority Risk Manager, or the Risk Manager for the State of Washington, before the contract is accepted or work may begin. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with chapter 48.15 RCW and 284-15 WAC.

e. Excess Coverage. By requiring insurance herein, HCA does not represent that coverage and limits will be adequate to protect Contractor and such coverage and limits shall not limit Contractor’s liability under the indemnities and reimbursements granted to HCA in this contract.

9.19.4 Worker’s Compensation Coverage

a. Contractor will comply with the provisions of Title 51 RCW, Industrial Insurance. Prior to performing work under this Contract, Contractor will provide or purchase Industrial Insurance coverage for Contractor employees, as may be required of an "employer"

as defined in Title 51 RCW, and will maintain full compliance with Title 51 RCW during the course of this Contract. If Contractor fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees as may be required by law, UMP may collect from Contractor the full amount payable to the Industrial Insurance accident fund. UMP may deduct the amount owed by Contractor to the accident fund from the amount payable to Contractor by UMP under this Contract, and transmit the deducted amount to the Department of Labor and Industries (L&I), Division of Insurance Services. This provision does not waive any of L&I's rights to collect from Contractor.

b. UMP and the HCA and the State will not be held responsible for claims filed by Contractor or its employees for services performed under the terms of this Contract.

c. Industrial Insurance coverage through the Department of Labor & Industries is optional for sole proprietors, partners, corporate officers and others, in accordance with RCW 51.12.020.

9.20 Covenants Against Contingent Fees

Contractor warrants that no person or selling agent has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established agents maintained by Contractor for the purpose of securing business. Contractor also warrants that it will not include brokers' fees in its administrative fees. UMP will have the right, in the event of breach of this clause by Contractor, to terminate this Contract or, in its discretion, to deduct from amounts due Contractor under the Contract or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

9.21 Nondiscrimination

During the performance of this Contract, Contractor will comply with all applicable federal and state nondiscrimination laws, regulations, and policies. In the event of Contractor's noncompliance or refusal to comply with any nondiscrimination law, regulation, or policy, the HCA may terminate this Contract, in whole or in part, and may declare Contractor ineligible for further contracts with the HCA.

9.22 Force Majeure

If either party is prevented from performing any of its obligations hereunder, in whole or in part, as a result of major epidemic, act of God, war, civil disturbance, court order, labor dispute, or other circumstances beyond its control, that party will make a good faith effort to perform such obligations through its then existing personnel and systems.

9.23 Waiver

Waiver of any default or breach is not a waiver of any subsequent default or breach relating to that or any other provision. Any waiver is not a modification of the terms of the Contract unless stated to be such in writing signed by both parties.

9.24 Severability

The provisions of this Contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity will not affect the validity of the remainder of the Contract.

9.25 Governing Law; Venue

This Contract will be construed and interpreted in accordance with the laws of the State of Washington without regard for any choice-of-law rules that might direct the application of the laws of any other jurisdiction. The only permissible venue of any action brought under or relating to this Contract will be in the Superior Court of Thurston County. Contractor agrees to jurisdiction and venue in that court.

9.26 Survival

The provisions relating to payment, billing, reports, confidentiality, business associate, data access, termination, services after termination, and termination procedure will survive the termination of this Contract.

9.27 Antitrust Assignment

Contractor hereby assigns to the State of Washington any and all of its claims for price fixing or overcharges which arise under the antitrust laws of the United States, or the antitrust laws of the State of Washington, relating to the goods, products, or services purchased under this Contract.

9.28 Copyright, Invasion of Privacy, and Related Matters

9.28.1 Works for Hire

Unless otherwise provided, all Materials that are customized to HCA specifications paid for separately pursuant to a written "statement of work" and delivered or produced under this Contract ("Customized Materials") are "works for hire" as defined by the U.S. Copyright Act and shall be owned by the HCA. The HCA shall be considered the author of such Customized Materials. If the Customized Materials are not considered "works for hire" under the U.S. copyright laws, Contractor hereby irrevocably assigns all rights, title, and interest in Materials, including all intellectual property rights, to the HCA effective from the moment of creation of such Customized Materials.

9.28.2 Author

The HCA shall be considered the author or owner of all work products and models developed for the HCA during the course of the engagement. Contractor shall deliver all such work products and models to the HCA promptly upon request.

9.28.3 License

For Materials that are delivered under this Contract, but that incorporate pre-existing materials not produced under this Contract, Contractor hereby grants to the HCA a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. Contractor warrants and represents that Contractor has all rights and permissions, including intellectual property rights, moral rights, and rights of publicity, necessary to grant such a license to the HCA.

9.28.4 Retained Rights

Contractor retains all rights, title and interest in and to all technical or internal designs, methods, ideas, concepts, know-how, techniques, generic documents, and templates that have been previously developed by Contractor or are developed during the course of the provision of the services under this Contract, unless such generic documents or templates contain any confidential information or proprietary data of the HCA or of the

State of Washington. Rights and ownership by Contractor of original technical designs, methods, ideas, concepts, know-how, and techniques does not extend to or include any of the HCA's proprietary data or confidential information. To the extent that Contractor may include in the Materials delivered under this Contract any preexisting proprietary information or other of its protected materials, Contractor agrees that the HCA shall be deemed to have a fully paid up license to make copies of Contractor-owned materials as part of this engagement.

9.28.5 Notice to UMP

a. **Privacy**. Contractor will exert all reasonable efforts to advise UMP, at the time of delivery of Materials furnished under this Contract, of all known or potential invasions of privacy contained in those Materials and of any portion of the Materials which was not produced in the performance of this Contract.

b. **Infringement**. Contractor will give the HCA prompt written notice of each notice or claim of copyright infringement received by Contractor with respect to any data delivered under this Contract. The HCA may not modify or remove any restrictive markings placed upon the data by Contractor. The preceding sentence shall not apply to Customized Materials.

9.28.6 "Materials"

For purposes of this subsection 9.28, "materials" means all items in any format. It includes, but is not limited to, data, work products, or models prepared for the HCA, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and sound reproductions. "Ownership" includes the right to copyright, patent, register and the ability to transfer these rights.

9.29 Public Records Act

Contractor acknowledges that UMP and HCA are subject to the Washington Public Records Act, chapter 42.56 RCW.

9.30 Contingencies

9.30.1 Legal Actions and Procedural Challenges

The parties to the Contract recognize that legal or procedural actions may result in delayed or canceled implementation of the activities detailed in this contract. The parties further recognize that such a delay or cancellation may result in uncompensated financial and asset obligations for activities occurring before January 1, 2011. Nonetheless, the parties agree to execute this Contract and proceed in good faith. Further, the parties agree as follows:

a. If legal action or a procedural challenge is filed or threatened, HCA may at its sole discretion terminate this contract with no notice, and extend its existing third-party administrator contract or take such other action as HCA chooses. This remedy is in addition to HCA's termination rights in paragraph 9.8.1. In the event of a termination under this paragraph, subsection 9.9, Services After Termination, and subsection 8.7, Effect of Termination shall apply.

b. At its sole discretion, HCA may continue UMP contracts in force after January 1, 2011, for as long as it thinks is appropriate. This applies to professional provider contracts, hospital contracts, and all other contracts.

c. If HCA has not terminated this Contract and the final ruling(s) on any such legal action or procedural challenge, or the settlement of any such actions or challenges, is anything other than an unqualified complete approval of the procurement process and this contract, HCA may terminate this Contract immediately without any penalty. In the case of termination on or after January 1, 2011, HCA will pay administrative fees for the time before termination, and will reimburse Contractor for claim payments made before the notice of termination. HCA will not owe Contractor anything else. This applies even if some other rulings are unqualified approvals.

d. If the ruling on any one or more legal actions or procedural challenges is wholly or partly in favor of the party bringing a legal action or procedural challenge, HCA may, in its own discretion, decide whether or not to appeal any adverse ruling. HCA has no obligation to Contractor to appeal or not appeal any ruling.

e. If the ruling on any one or more such legal actions or procedural challenges is wholly or partly in favor of HCA and the challenging party chooses to appeal from that ruling, HCA may contest that appeal or not, in its sole discretion. HCA has no obligation to Contractor to contest that appeal or not.

f. If there is a legal action or a procedural challenge, HCA may settle the matter on such terms as it chooses. If there is more than one legal action or procedural challenge, HCA may settle any one or more of them on such terms as it decides are appropriate, and whether or not the settlements are consistent with each other. HCA does not need to give Contractor notice of any settlement being considered and Contractor's consent is not required. Contractor has no right to any payment or other consideration from HCA as a result of any such settlement.

9.30.2 Assignable Contracts

a. The parties recognize that if this Contract does not take effect for any reason, or takes effect and then has to be terminated, UMP will need a provider network. Therefore, Contractor agrees that when it contracts with any professional provider, hospital, or other provider specifically to serve UMP enrollees as part of a network, Contractor will include in the contract a provision permitting the assignment of that UMP-specific contract to HCA without the consent of the provider or Contractor. At the option of Contractor, this right to assign may be only as to services for UMP enrollees. The effect will be that those providers would be UMP network providers and UMP would pay the rates Contractor had negotiated for services to UMP enrollees. This applies to agreements Contractor enters with providers specifically to serve UMP enrollees, and not to contracts to serve Contractor's book of business generally.

b. Contractor will assign those provider contracts to HCA at the request of HCA if :
   i. This Contract between Contractor and HCA has not been signed by both parties by July 1, 2010, or if

   ii. At any time after July 1, 2010 HCA or Contractor is unable to act under this Contract due to legal action, injunction or other court order, procedural challenge, or otherwise.

9.31 Extension

HCA may extend this Contract through December 31, 2019, at its sole option, in whatever increments HCA chooses, by written notice to Contractor. If HCA extends the contract, the renewal will continue on such terms as are in force at the time of the written renewal notice unless other terms as to rates and performance are mutually agreed. If the contract is extended as is for the 2015 calendar year, Contractor will provide its services for the same fees charged in 2014, subject to the right to increase those fees by no more than stated in Exhibit A. The fees for 2015 and later years would be subject to negotiation between the parties prior to the renewal date. If HCA desires to change the terms of the Contract for any extension period, the fees would be subject to negotiation between the parties. HCA may initiate negotiations up to two years before the then-applicable Contract ending date.

9.32 Debarment and Suspension

Contractor certifies that it is not debarred, suspended, or otherwise excluded from, or ineligible for, participation in Federal or State government contracts in any state. Contractor must not contract with a subcontractor that is so debarred or suspended.

SECTION 10: OUTCOMES BASED FINANCIAL PERFORMANCE GUARANTEES

< To be added from the draft Statement of Work>

SECTION 11: DEFINITIONS

Whenever used in this Contract, the terms listed below have the following meanings.

11.1 Administrative Fee

Administrative Fee means the base administrative fee set forth in Exhibit A.

11.2 Appeal

Appeal means a written or oral request that UMP reconsider its resolution of a complaint made by (or on behalf of) an enrollee or its decision to deny, modify, reduce, or terminate payment, coverage, authorization, or provision of health care services, including the admission to, or continued stay in, a health care facility.

11.3 COC

COC means the UMP Certificates of Coverage, and as the context requires it means the version applicable to the enrollee and claim involved.

11.4 Complaint

Complaint means an expression of dissatisfaction, oral or written, submitted by or on behalf of an enrollee regarding:

a. denial of health care services or payment for health care services;
b. issues other than denial of or payment for health care services, including dissatisfaction with health care services, delays in obtaining health care services, conflicts with carrier staff or providers; or
c. dissatisfaction with UMP practices or action unrelated to health care services.

11.5 Contract Manager

Contract manager means an employee of the HCA designated by the UMP to represent HCA in matters relating to this Contract and changes in it.

11.6 Day, Calendar

Calendar day is every day including weekends and Washington State holidays. If the end of a period calculated using calendar days falls on a weekend or Washington State holiday, it will be extended to 5:00 pm of the next business day.

11.7 Enrollee or Member

A person who meets all eligibility requirements defined in chapter 182-12-109 WAC, who is enrolled in PEBB benefits, and for whom applicable premium payments have been made. The terms Enrollee and Member are synonymous

11.8 Foreign

Foreign means either not United States, or outside the United States.

11.9 HIPAA

HIPAA means the federal Health Insurance Portability and Accountability Act, including the amendments known as ARRA and the HITECH Act, and the regulations adopted under it.

11.10 Including

Unless the context requires otherwise, the term “including” means “including but not limited to.”

11.11 Pharmacy Benefit Manager or PBM

Pharmacy benefit manager (or PBM) means ODS or any successor or other entity that provides pharmacy benefit management services, or mail-order or specialty **pharmacy** services, to UMP.

11.12 Plan

Plan means all the health benefit programs offered by UMP, including any that are offered later; or the one applicable to a given situation.

11.13 Subscriber

Subscriber means the individual or family member who is the primary certificate holder and enrollee in the Uniform Medical Plan.

11.14 Web Site Maintenance

For this purpose, any changes made within the existing framework once the website is in production are maintenance. So, for example, replacing a COC with the next year’s COC is maintenance. Changes that cannot be done within the existing framework are enhancements. These are changes that significantly alter the existing layout, architecture, and functionality. For example, adding a new web page, a new button, or adding or expanding the functionality within the site are all enhancements.

11.15 Writing

Writing includes, in addition to the usual meaning, communication by electronic mail.

Exhibit A Base Administrative Fees

The abbreviation "PSPM" means "per subscriber per month."

<Rates to be filled in.>

	2011 PSPM Fee	2012 PSPM Fee	2013 PSPM Fee	2014 PSPM Fee
Administrative Services: PSPM Base Proposal				
Claims payment services				
Medical management				
Case management				
Appeals and complaints				
Account management				
Member services				
Member printed communications				
Online services				
Data, systems and reporting				
Contract implementation				
Provider Network: PSPM Base Proposal				
Provider network				
Total Base PSPM Fee				

Extended Contract Maximum Fee Increase	**%**
Maximum annual percentage fee increase beyond 2014	

Business Function: Base Proposal	**2011 Charge**	**2012 Charge**	**2013 Charge**	**2014 Charge**
Conversion Plan Offering (Per Conversion Subscriber)				
Run-Out Claim Processing (Per Claim)	N/A	N/A	N/A	

Medical Management Buy-up Options	**2011 PSPM Fee**	**2012 PSPM Fee**	**2013 PSPM Fee**	**2014 PSPM Fee**
Health Risk Assessment*				
Personal Health Record*				
Disease Management				
* Note: A single combined fee proposal may be provided for Health Risk Assessment and Personal Health Record at the bidder's choosing,				

Exhibit B PEBB Eligibility File Format

PEBB CARRIER INTERFACE RECORD

Record Format: **VARIABLE** Length Record

Record Length: 520 to 4034

Block Size: 4038

Note: Date field format is CCYYMMDD

RECORD TYPE: 1

		Positions	
Field Name	**Picture**	**From**	**To**
Record Type (1)	9(01)	1	1
Transaction Date	*9(08)*	*2*	*9*
Transaction Type	X(01)	10	10
Filler	X(04)	11	14
Old SSN	9(09)	15	23
New SSN	9(09)	24	32
Filler	X(488)	33	520

RECORD TYPE: 2

		Positions	
Field Name	**Picture**	**From**	**To**
Record Type (2)	9(01)	1	1
Transaction Date	*9(08)*	*2*	*9*
Transaction Type	X(01)	10	10
Sequence Number	9(03)	11	13
Sequence Type	X(01)	14	14
SSN	9(09)	15	23
Name	X(20)	24	43
Home Agency	X(03)	44	46
Home Sub Agency	X(03)	47	49
Address Line 1	X(30)	50	79
Address Line 2	X(30)	80	109

Field Name	Picture	Positions From	To
Address Line 3	X(30)	110	139
City	X(20)	140	159
State	X(02)	160	161
Zip	X(10)	162	171
Address Effective Date	*X(08)*	*172*	*179*
Date of Birth	*X(08)*	*180*	*187*
Gender Code	X(01)	188	188
County of Residence	X(02)	189	190
Insurance Eligibility Type	X(01)	191	191
Marital Status	X(01)	192	192
Subscriber Enrolled in Part A of Medicare	X(01)	193	193
Effective Date - Part A	*X(08)*	*194*	*201*
Subscriber Enrolled in Part B of Medicare	X(01)	202	202
Effective Date - Part B	*X(08)*	*203*	*210*
Home Phone	X(10)	211	220
Work Phone	X(10)	221	230
Marriage Date	*X(08)*	*231*	*238*
Divorce/Spouse Decease Date	*X(08)*	*239*	*246*
Filler	X(01)	247	247
Subscriber Physician-Clinic ID	X(10)	248	257
Subscriber Enrolled	X(01)	258	258
Coverage Begin Date	*X(08)*	*259*	*266*
Coverage End Date	*X(08)*	*267*	*274*
Deceased Date	*X(08)*	*275*	*282*
Filler	X(01)	283	283
Originating SSN	X(09)	284	292
Med-Supp Indicator	X(01)	293	293
Full Carrier Code	X(04)	294	297
Filler	*X(06)*	*298*	*303*
Spouse SSN	X(09)	304	312

Field Name	Picture	Positions From	To
Spouse Name	X(20)	313	332
Spouse Address Line 1	X(30)	333	362
Spouse Address Line 2	X(30)	363	392
Spouse Address Line 3	X(30)	393	422
Spouse City	X(20)	423	442
Spouse State	X(02)	443	444
Spouse Zip	X(10)	445	454
Spouse Birth Date	*X(08)*	*455*	*462*
Spouse Gender Code	X(01)	463	463

Field Name	Picture	Positions From	To
Spouse Enrolled in Part A of Medicare	X(01)	464	464
Effective Date - Part A	*X(08)*	*465*	*472*
Spouse Enrolled in Part B of Medicare	X(01)	473	473
Effective Date - Part B	*X(08)*	*474*	*481*
Spouse Enrolled	X(01)	482	482
Spouse Physician/Clinic ID	X(10)	483	492
Spouse Effective Date	*X(08)*	*493*	*500*
Spouse End Date	*X(08)*	*501*	*508*
Filler	X(10)	509	518
Number of Dependents	9(02)	519	520

Dependent Data Occurs 0 to 15 times (521 - 4034) Depending on
Number of Dependents

Field Name	Picture	Positions From	To
Dependent SSN	X(09)	521	529
Dependent Name	X(20)	530	549
Dependent Address Line 1	X(30)	550	579
Dependent Address Line 2	X(30)	580	609
Dependent Address Line 3	X(30)	610	639
Dependent City	X(20)	640	659
Dependent State	X(02)	660	661
Dependent Zip	X(10)	662	671
Dependent Birth Date	*X(08)*	*672*	*679*
Dependent Gender Code	X(01)	680	680
Dependent Relationship	X(01)	681	681
Dependent Qualify Reason	X(01)	682	682
Dependent Enrolled in Part A of Medicare	X(01)	683	683
Effective Date - Part A	*X(08)*	*684*	*691*
Dependent Enrolled in Part B of Medicare	X(01)	692	692
Effective Date - Part B	*X(08)*	*693*	*700*
Dependent Enrolled	X(01)	701	701
Dependent Physician/Clinic ID	X(10)	702	711
Dependent Effective Date	*X(08)*	*712*	*719*
Dependent Term Date	*X(08)*	*720*	*727*
Dependent Certification Type	X(01)	728	728
Certification Begin Date	*X(08)*	*729*	*736*
Certification End Date	*X(08)*	*737*	*744*
Filler	X(10)	745	754

RECORD TYPE 1

1. Record Type - A code used to identify the type of record.

   1 = SSN Changes
   2 = Changes in Insurance Coverage

2. Transaction Date - CCYYMMDD

3. Transaction Type - Will always be a 'C' (change) on Record Type 1.

4. Filler

5. Old SSN - Old Social Security Number of the subscriber.

6. New SSN - New Social Security Number for the subscriber.

7. Filler

RECORD TYPE 2

8. Record Type - A code used to identify the type of record.

   1 = SSN Changes
   2 = Changes in Insurance Coverage

9. Transaction Date - CCYYMMDD

10. Transaction Type

    A = Add
    C = Change
    D = Termination of Insurance

11. Sequence Number - To control processing of multiple records for the same day. Process in *ascending* sequence number.

12. Sequence Type - Indicates whether the record contains all available information regarding the subscriber and family OR if only the changed information is present. (HCA will send both A and B records for "changes". The plan has the option of choosing all available information or changes only.)

    A = All Available Information

    B = Changed Information Only

    F = Changes with a future effective date (complete information)

13. SSN - The Social Security Number of the subscriber.

14. Name - Last Name, First Name, Middle Initial

15. Home Agency - The agency responsible for entering the employee's insurance information.

16. Home Sub Agency - The sub agency responsible for entering the employee's insurance information.

17. Address - The mailing address of the subscriber.

    Address Line 1 30 positions

    Address Line 2 30 positions

    Address Line 3 30 positions

    City 20 positions

    State 2 positions

    Zip 10 positions

18. Address Effective Date - The date the new mailing address is to take effect. (CCYYMMDD).

19. Subscriber's Date of Birth - CCYYMMDD

20. Subscriber's Gender Code - M = Male F = Female

21. County of Residence - A code indicating subscriber's county of residence.

00	-	Out of State	20	-	Klickitat
01	-	Adams	21	-	Lewis
02	-	Asotin	22	-	Lincoln
03	-	Benton	23	-	Mason
04	-	Chelan	24	-	Okanogan
05	-	Clallam	25	-	Pacific
06	-	Clark	26	-	Pend Oreille
07	-	Columbia	27	-	Pierce
08	-	Cowlitz	28	-	San Juan
09	-	Douglas	29	-	Skagit
10	-	Ferry	30	-	Skamania
11	-	Franklin	31	-	Snohomish
12	-	Garfield	32	-	Spokane
13	-	Grant	33	-	Stevens
14	-	Grays Harbor	34	-	Thurston
15	-	Island	35	-	Wahkiakum
16	-	Jefferson	36	-	Walla Walla
17	-	King	37	-	Whatcom
18	-	Kitsap	38	-	Whitman
19	-	Kittitas	39	-	Yakima

22. Insurance Eligibility Type - Code used to indicate the enrollee's eligibility status.

Y – Active Employee State	R – Retiree State
X – Active Employee K12	K – Retiree K12
X – Active Employee Political Sub	G – Cobra Retiree State
C – Cobra	D – Cobra Retiree K12
S – Selfpay	V – Uniform Conversion Plan 1
E – Selfpay – Dental Only	W – Uniform Conversion Plan 2
T – Cobra – Dental Only	N – Not Enrolled

23. Marital Status - M = Married S = Single

24. Subscriber Enrolled in Part A of Medicare - Y = Yes N = No

25. Effective Date - Part A - The date of the subscriber's enrollment in Medicare Part A. (CCYYMMDD).

26. Subscriber Enrolled in Part B of Medicare - Y = Yes N = No

27. Effective Date - Part B - The date of the subscriber's enrollment in Medicare Part B. (CCYYMMDD)

28. Home Phone - Subscriber's Home Phone Number.

29. Work Phone - Subscriber's Work Phone Number.

30. Marriage Date - CCYYMMDD

31. Divorce/Spouse Decease Date - The date of the subscriber's divorce or spouse's date of death. (CCYYMMDD)

32. Filler

33. Subscriber Physician/Clinic ID - A code to identify the subscriber's physician or clinic for health or dental enrollment. (Associated with carrier code.) ***If the 10th position of this field contains a "Y", the member is indicating they are a current patient of the physician.***

34. Subscriber Enrolled - A code indicating the enrollment status of the subscriber based on the effective and termination dates present on the transaction record.

    Y = Yes N = No

35. Coverage Begin Date - The date Health or Dental coverage is to begin. (CCYYMMDD)

36. Coverage End Date - The date Health or Dental coverage is to end. (CCYYMMDD)

37. Deceased Date - The subscriber's decease date. (CCYYMMDD)

38. Filler

39. Originating SSN - Identifies the originating SSN where the current enrollee established eligibility. (Used mainly for COBRA dependents)

40. Med Supp Indicator - A flag for records associated with the Med-Supp program: The subscriber or spouse is enrolled in the Med Supp program, but another member does not qualify for Med Supp enrollment and is enrolled in the Uniform Plan.

(blank) = not Med Supp-related

Y = part of Med Supp enrollment

41. Full Carrier Code - A code to identify the insurance carrier. (This field is expanded from a 1-character field to a 4-character field. The carrier code from item 32 is in the left-most position.)

Medical Carriers	Dental Carriers	
C - Group Health Classic	X - PBC Med Supp J (Rx)	1 - Washington Dental Service
CV - Group Health Value	(Retiree)	4 - Delta Care
CH - Community Health Plan	Y - PBC Med Supp E	7 - Regence Dental
D - Kaiser Classic	(Retiree)	9 - Default (Uniform Plan)
DV - Kaiser Value	XWO - PBC Med Supp J (no Rx)	
K - Regence Classic	Z - Default (Uniform Plan)	
PC - Secure Horizon Classic		
PV - Secure Horizon Value		
U - Uniform Medical Plan		

42. Filler

43. Spouse SSN - Social Security Number of the spouse of the subscriber.

44. Spouse Name - The legal combination of words by which the spouse is known. (Last Name, First Name, Middle Initial)

45. Spouse Address - The mailing address of the spouse. (Blank if the same as the Subscriber's)

Address Line 1 30 positions

Address Line 2 30 positions

Address Line 3 30 positions

City 20 positions

State 2 positions

Zip 10 positions

46. Spouse Birth Date - The date of birth of the Spouse. (CCYYMMDD)

47. Spouse Gender Code - F = Female M = Male

48. Spouse Enrolled in Part A of Medicare - Y = Yes N = No

49. Effective Date - Part A - The effective date of the spouse's enrollment in Medicare Part A. (CCYYMMDD)

50. Spouse Enrolled in Part B of Medicare - Y = Yes N = No

51. Effective Date - Part B - The effective date of the spouse's enrollment in Medicare Part B. (CCYYMMDD)

52. Spouse Enrolled - A code indicating the enrollment status of the spouse based on the effective and end dates present on the transaction record.

Y = Yes N = No

53. Spouse Physician/Clinic ID - A code to identify the spouse's physician or clinic for health or dental enrollment. ***If the 10th position of this field contains a "Y", the member is indicating they are a current patient of the physician.***

54. Spouse Effective Date - The date Health or Dental coverage is to begin. (CCYYMMDD)

55. Spouse End Date - The date Health or Dental coverage is to end. (CCYYMMDD)

56. Filler

57. Number of Dependents - Contains the number of Dependent Records and controls the variable record length.

58. Dependent SSN - The Social Security Number of the dependent of the subscriber.

59. Dependent Name - The legal combination of words by which the dependent is known. (Last, First, and Middle Initial)

60. Dependent Address - The mailing address of the dependent if different than the subscriber.

Address Line 1	30 positions
Address Line 2	30 positions
Address Line 3	30 positions
City	20 positions
State	2 positions
Zip	10 positions

61. Dependent Birth Date - CCYYMMDD

62. Dependent Gender Code - M = Male F = Female

63. Dependent Relationship

C	=	Son	S	=	Spouse
D	=	Daughter	X	=	Ex-spouse
F	=	Foster Child	P	=	Parent
2	=	Spouse of a Surviving Spouse			

64. Dependent Qualify Reason - A code to identify qualifying reason for special dependent status.

A	=	Disabled
S	=	Student
D	=	Fosterchild

65. Dependent Enrolled in Part A of Medicare - Y = Yes N = No

66. Effective Date - Part A - The effective date of the dependent's enrollment in Medicare Part A. (CCYYMMDD)

67. Dependent Enrolled in Part B of Medicare - Y = Yes N = No

68. Effective Date - Part B - The effective date of the dependent's enrollment in Medicare Part B. (CCYYMMDD)

69. Dependent Enrolled - A code indicating the enrollment status of the dependent based on the effective and end dates present on the transaction record.

    Y = Yes N = No

70. Dependent Physician/Clinic ID Number - A code to identify the dependent's physician or clinic for health or dental enrollment. ***If the 10th position of this field contains a "Y", the member is indicating they are a current patient of the physician.***

71. Dependent Effective Date - The date health or dental coverage will be effective for a dependent. (CCYYMMDD)

72. Dependent Termination Date - The date health or dental coverage will end for a dependent. (CCYYMMDD)

73. Dependent Certification Type - A code indicating the certification status of an approved fosterchild, disabled dependent or student.

    T = Temporary P = Permanent

74. Certification Begin Date - The date the approved fosterchild, disabled dependent or student certification begins. (CCYYMMDD)

75. Certification End Date - The date the approved fosterchild, disabled dependent or student certification ends. (CCYYMMDD)

76. Filler

Record Type 1 - Social Security Number Changes (Position 1 on Record Layout)

All social security number changes are sent to all carriers.

Record Type 2 - Changes In Insurance Coverage Information (Position 1 on Record Layout)

1. A single, complete transaction type 2A (Add), 2C (Change) or 2D (Delete) record will be sent for subscriber and family add, change and delete transactions.

2. The Sequence Number controls processing of multiple records per subscriber per day. Records should be processed in ascending sequence number order.

3. The Sequence Type indicates whether the change record contains:

   - A = complete information regarding the subscriber and family,
   - B = changed information only, or
   - F = complete information for a subscriber whose coverage begin or end date is in the future.

   HCA will send two type 2C records Sequence Type A (complete information) and Sequence Type B (changes only) whenever a change is made. Both will have the same Sequence Number. Each carrier may choose the record type that best meets their processing requirements and ignore the other.

   The 2CA change record will have *complete* subscriber and family information.

   The 2CB change record will have *changes only*, but at a minimum will include the Subscribers SSN and Name. If spouse and/or dependent information has changed, the Spouse and/or Dependent SSN, Name, and the actual changed data will be present on the 2CB record. On the 2CB record, all unchanged fields will be space filled. Low Values (hex '00') will be present in a field where the requested change is to blank that field.

   The Number of Dependents on the 2CA record will contain the actual number of dependent records, irrespective of dependent enrollment status.

   The Number of Dependents on the 2CB record will contain a zero (if no changes have been made to dependent information), or the actual number of dependent records following (if dependent information has been changed). For example: if a subscriber has three dependents with a change on only one of them, the Number of Dependents field would contain a 03 on the 2CA record and a 01 on the 2CB record.

4. The eligibility system will allow add, change and delete transactions with effective dates up to 2 processing periods in the future. This generally means 2 calendar months in the future, but could extend to 3 calendar months. Future information will be forwarded to the appropriate carriers with all other transactions.

   A single, complete transaction type 2A, 2C or 2D record will be sent for future subscriber add, change and delete transactions. The future begin or end dates will be present.

   HCA will send two type 2C records Sequence Type A and Sequence Type B whenever a future change is made. The future effective dates will be present in the record. An example of this type of change would be the future termination present of a child. The same type 2CA & 2CB processing logic discussed in item 3 above would apply.

   In very special cases a type 2CF record is sent in place of or in addition to the 2CA & 2CB. A type 2CF record looks exactly like a type 2CA complete record, but is sent only to a carrier who has already received a type 2A record with a future effective date and the future effective date has not yet been reached. The type 2CF record contains *complete* subscriber and family information. The changed information is not highlighted. These records will have normal sequencing numbers.

   This condition most commonly occurs during open enrollment periods when a subscriber has chosen a new carrier, both the gaining and losing carriers have been notified, and the subscriber then reports some type of change prior to the effective date of the carrier change. Example: The subscriber makes a plan change with a 1/1/96 effective date and then reports a newborn infant or an address change with a 12/1/95 effective date.

   The requirement for employee medical insurance payroll contributions caused us to allow employees to waive coverage for spouses and other dependents. In many cases, particularly during open enrollment, the payroll/benefits staff can enter spouse and dependent disenrollment changes with effective dates up to two months in the future. We use the type 2CF record to notify you of these changes. It contains complete information about all family members. You will need to examine the coverage begin and end dates to determine the exact status of each family member. Receipt of a type 2CF record (on a currently enrolled subscriber) means that there is a spouse or dependent disenrollment with a future effective date. <u>There may be 2CA and 2CB records in addition to a 2CF record. The 2CF record will always be the last sequence number when 2CA and 2CB records are present.</u>

   Due to some eligibility changes for 1996, some dependents will be eligible for coverage between the 16th and 31st of a month, but will not be charged the higher family size premium until the following month. Because of the way we pend this transaction for billing purposes, you may receive a type 2A record for a family followed by a type 2CF record for the dependents, if the family has an effective date between the 16th and 31st of a month. The type 2CF record will be a duplicate of the type 2A record.

You could also receive a type 2D record for a family followed by a type 2CF record if the family changed plans and also waived coverage on a spouse or dependent. The type 2CF record will be a duplicate of the type 2D record.

5. The Originating SSN is the original subscriber's SSN from which the current subscriber's eligibility is generated. Originating SSN will be present on transaction types 2A, 2D and 2C records with record types A, B and F, if it is present in the eligibility system.. Example: a dependent child enrolled in COBRA would display the parent's Originating SSN as the place where the child's original eligibility was established.

   The Originating SSN, if present on the type 2CB change record, must be tested to determine if it has changed.

6. Subscriber, Spouse, and Dependent Enrolled indicators Y (enrolled) or N (not enrolled) show the enrollment status of the subscriber, spouse, or dependent based upon the Effective and Termination Dates present on the transaction record.

7. Medicare Part A and B dates will be present for the subscriber, spouse, and dependents. These dates will reflect the date on which the Medicare A or B Enrolled status changed. For example, if the subscriber's Medicare Part A Enrolled indicator changed from "N" to "Y", the date would reflect the subscriber's enrollment in part A. If the subscriber's Medicare Part B Enrolled indicator changed from "Y" to "N", the date would reflect the subscriber's termination of part B.

8. Physician/Clinic ID information is not a required field. It will only be provided if the subscriber reported this information to their employer for the subscriber, spouse, and each dependent on their initial enrollment form. *Please note that the Physician/Clinic ID is neither required nor edited by the Insurance System*. This is a free format, 10 character field. If you receive a change in physician/clinic on your tapes after initial enrollment, please consider it a flag only and verify the information with the subscriber.

9. Foster children (Dependent Relationship "F") and disabled dependents (Qualify Reason "A") and student dependents (Qualify Reason "S") require special enrollment certification information. HCA uses certification types "T" (Temporary) or "P" (Permanent) when coverage has been approved ***and*** Certification Begin and End Dates. Students, foster children and disabled dependents should <u>not</u> be enrolled unless <u>all</u> of the following is true:

   - Dependent Begin Date is present, and
   - Dependent End Date is zeros, and
   - Dependent Certification Type is present, and
   - Certification Begin date is present

NOTE: For transmitting files, the Contractor will pick up HCA files via secure file transfer (SFTP) which is HIPAA compliant. The frequency of transmission is daily.

Exhibit C Enrollment Full File Layout Required Match

FLD #	Required HCA Match	Field Name	Picture	From	To
1	N/A	Record Type (2)	9(01)	1	1
2	N/A	*Transaction Date*	*9(08)*	*2*	*9*
3	N/A	Transaction Type	X(01)	10	10
4	N/A	Sequence Number	9(03)	11	13
5	N/A	Sequence Type	X(01)	14	14
6	Y	SSN	9(09)	15	23
7	Y	Name	X(20)	24	43
8	Y	Home Agency	X(03)	44	46
9	Y	Home Sub Agency	X(03)	47	49
10	Y	Address Line 1	X(30)	50	79
11	Y	Address Line 2	X(30)	80	109
12	N	Address Line 3	X(30)	110	139
13	Y	City	X(20)	140	159
14	Y	State	X(02)	160	161
15	Y	Zip	X(10)	162	171
16	N	Address Effective Date	X(08)	172	179
17	Y	*Date of Birth*	*X(08)*	*180*	*187*
18	Y	Gender Code	X(01)	188	188
19	Y	County of Residence	X(02)	189	190
20	Y	Insurance Eligibility Type	X(01)	191	191
21	Y	Marital Status	X(01)	192	192
22	Y	Subscriber Enrolled in Part A of Medicare	X(01)	193	193
23	Y	*Effective Date - Part A*	*X(08)*	*194*	*201*
24	N	Subscriber Enrolled in Part B of Medicare	X(01)	202	202
25	N	*Effective Date - Part B*	*X(08)*	*203*	*210*
26	Y	Home Phone	X(10)	211	220

FLD #	Required HCA Match	Field Name	Picture	From	To
27	Y	Work Phone	X(10)	221	230
28	Y	Marriage Date	X(08)	231	238
29	N	*Divorce/Spouse Decease Date*	*X(08)*	*239*	*246*
30	N/A	Filler	X(01)	247	247
31	N/A	Subscriber Physician-Clinic ID	X(10)	248	257
32	Y	Subscriber Enrolled	X(01)	258	258
33	Y	*Coverage Begin Date*	*X(08)*	*259*	*266*
34	Y	*Coverage End Date*	*X(08)*	*267*	*274*
35	Y	*Deceased Date*	*X(08)*	*275*	*282*
36	N/A	Filler	X(01)	283	283
37	N	Originating SSN	X(09)	284	292
38	N	Med-Supp Indicator	X(01)	293	293
39	N/A	Full Carrier Code	X(04)	294	297
40	N/A	*Filler*	*X(06)*	*298*	*303*
41	Y	Spouse SSN	X(09)	304	312
42	Y	Spouse Name	X(20)	313	332
43	Y	Spouse Address Line 1	X(30)	333	362
44	Y	Spouse Address Line 2	X(30)	363	392
45	N	Spouse Address Line 3	X(30)	393	422
46	Y	Spouse City	X(20)	423	442
47	Y	Spouse State	X(02)	443	444
48	Y	Spouse Zip	X(10)	445	454
49	Y	*Spouse Birth Date*	*X(08)*	*455*	*462*
50	Y	Spouse Gender Code	X(01)	463	463
51	Y	Spouse Enrolled in Part A of Medicare	X(01)	464	464
52	Y	*Effective Date - Part A*	*X(08)*	*465*	*472*
53	N	Spouse Enrolled in Part B of Medicare	X(01)	473	473

FLD #	Required HCA Match	Field Name	Picture	From	To
54	**N**	***Effective Date - Part B***	***X(08)***	***474***	***481***
55	**Y**	**Spouse Enrolled**	**X(01)**	**482**	**482**
56	**N**	**Spouse Physician/Clinic ID**	**X(10)**	**483**	**492**
57	**Y**	***Spouse Effective Date***	***X(08)***	***493***	***500***
58	**Y**	***Spouse End Date***	***X(08)***	***501***	***508***
59	**N/A**	**Filler**	**X(10)**	**509**	**518**
60	**Y**	**Number of Dependents**	**9(02)**	**519**	**520**
		Dependent Data Occurs 0 to 15 times (521 - 4034) Depending on Number of Dependents			
61	**Y**	**Dependent SSN**	**X(09)**	**521**	**529**
62	**Y**	**Dependent Name**	**X(20)**	**530**	**549**
63	**Y**	**Dependent Address Line 1**	**X(30)**	**550**	**579**
64	**Y**	**Dependent Address Line 2**	**X(30)**	**580**	**609**
65	**N**	**Dependent Address Line 3**	**X(30)**	**610**	**639**
66	**Y**	**Dependent City**	**X(20)**	**640**	**659**
67	**Y**	**Dependent State**	**X(02)**	**660**	**661**
68	**Y**	**Dependent Zip**	**X(10)**	**662**	**671**
69	**Y**	***Dependent Birth Date***	***X(08)***	***672***	***679***
70	**Y**	**Dependent Gender Code**	**X(01)**	**680**	**680**
71	**Y**	**Dependent Relationship**	**X(01)**	**681**	**681**
72	**N**	**Dependent Qualify Reason**	**X(01)**	**682**	**682**
73	**Y**	**Dependent Enrolled in Part A of Medicare**	**X(01)**	**683**	**683**
74	**N**	***Effective Date - Part A***	***X(08)***	***684***	***691***
75	**N**	**Dependent Enrolled in Part B of Medicare**	**X(01)**	**692**	**692**

FLD #	Required HCA Match	Field Name	Picture	From	To
76	**N**	***Effective Date - Part B***	***X(08)***	***693***	***700***
77	**Y**	**Dependent Enrolled**	**X(01)**	**701**	**701**
78	**N/A**	**Dependent Physician/Clinic ID**	**X(10)**	**702**	**711**
79	**Y**	***Dependent Effective Date***	***X(08)***	***712***	***719***
80	**Y**	***Dependent Term Date***	***X(08)***	***720***	***727***
81	**N**	**Dependent Certification Type**	**X(01)**	**728**	**728**
82	**N**	***Certification Begin Date***	***X(08)***	***729***	***736***
83	**N**	***Certification End Date***	***X(08)***	***737***	***744***
84	**N/A**	**Filler**	**X(10)**	**745**	**754**

Exhibit D Contractor Implementation Plan

<To be added from bidder proposal>

Exhibit E Administrative Performance Guarantees

Subsection 3.3.1 Standards

Amount at Risk	Required Performance Standards -- Categories	Definition of Standards
10% of 2011 base fees (One time only, will be assessed on first quarter 2011 performance.)	**Implementation** Contractor will reimburse HCA for the full amount at risk for this category if any one of the milestones (or more than one) is not met.	Successful and timely completion of all of the following key milestones by the Contractor: 1. By July 15, 2010 finalize: a. Benefits and plan provisions. b. Open enrollment including communications. 2. By October 1, 2010, a. Fully operational customer service system. b. Key knowledgeable staff identified to support and attends all benefit fairs. 3. Between October 1 and December 31, 2010, meet customer service standards: a. ≤ 30 seconds average speed of answer b. ≤ 3% call abandonment rate. 4. By December 1, 2010 fully tested and operational: a. Claims adjudication (benefits and plan provisions) system. b. Eligibility systems. c. Washington State Hospital payment system (based on HCA contracts). 5. By December 31, 2010 focused successful recruitment of key professional providers who are in UMP's network but not in the contractor's professional provider network.
5% of base fees to be assessed at the end of second quarter 2011.	**Data mapping and transfers to HCA's Data Warehouse, VIPS** Contractor will reimburse HCA for the full amount at risk for this category if in second quarter of 2011 this standard is not met. This guarantee is one-time only, replaced in 2012 with the member satisfaction performance guarantee below.	Contractor will build data files and transfer separately defined eligibility and claims files to the data warehouse vendor on a monthly basis in the format required by the data warehouse vendor. This process must be complete within six months from the start of the contract.
3% of annual base fees	**Member Satisfaction:** Note: This measure will be based on an annual CAHPS survey conducted by an independent survey firm that HCA selects. The survey will be conducted at HCA's expense and will follow NCQA CAHPS protocols. This does not apply to first year's results; applies in 2012 in replace of the data mapping guarantee for 2011 above.	Overall plan rating from HCA's annual Consumer Assessment of Health Plan Survey (CAHPS) At least 60% of respondents will give the plan a score of 8, 9, or 10 on "Overall Plan Rating."

Amount at Risk	Required Performance Standards -- Categories	Definition of Standards
5% of quarterly base fees	**Core Business Functions:** Contractor will reimburse HCA for the full quarterly amount at risk in this category if any one of the following four customer service and claims processing standards (or more than one) is not met in that quarter : • Call abandonment rate ≤ 3% • Average speed of answer ≤ 30 seconds • 99% financial payment accuracy • 97% claims adjudication accuracy	**Call Abandonment Rate**: Percentage of calls that reach the Contractor and are placed in enrollee services queue, but are not answered because caller hangs up before a customer service representative becomes available. Any calls that abandon within 10 seconds of being placed in queue need not be counted. Calculated as the number of calls in enrollee services queue that are abandoned divided by number of calls placed in queue. Note: Calls that are answered by automated responses (such as claim status and eligibility) are not to be included in the count of calls that reach the facility and are placed in queue. **Speed of Answer**: Measured from the time a call is placed in the enrollee service queue until the time the caller is connected to a customer service representative. **Financial Payment Accuracy**: Calculated as the total paid dollars minus the absolute value of over- and underpayments, divided by total paid dollars. **Claims Adjudication Accuracy**: Calculated as the total number of claims (pays and no pays) minus the number of claims processed with an error, divided by the total number of claims. Error is defined as any inaccuracy in entering or processing the claim, regardless of cause (such as coding, procedural, system) or whether the error has a financial impact. Each type of error is counted as one full error but no more than one error can be assigned to one claim.
3% of quarterly base fees	**Turnaround on Complaints and Appeals:** Contractor will reimburse HCA for the full quarterly amount at risk for this category if any one of the four of the standards shown here (or more than one) is not met in that quarter.	**Complaints:** 100% of complaints answered substantively within 30 days. **Appeals:** All first-level appeals decided within 30 days of receipt. **Appeals and Complaints:** All files for 2nd level appeals transferred to HCA within 2 business days of receipt of appeal.
5% of the base fees.	**Data Systems and Reporting** The details around the reports and timelines will be worked through during contracting once a final bidder has been selected.	1. Submit entire Washington Book of Business data including UMP to PSHA every 6 months. 2. Provide HIPAA 834 to other HCA vendors. 3. Perform quarterly eligibility matching on all HCA specified fields and reconcile differences.

Amount at Risk	Required Performance Standards -- Categories	Definition of Standards
<to be defined by bidder> % of the base fee	**Degree of Health Management** score for UMP.	For 2011, a score at least as good as that for UMP for 2010. For each year thereafter, a score that is at least 5 points better than the score for the previous year. The Degree of Health Management, or DOHM, is measured by Milliman using a tool designed for that purpose.

Subsection 3.3.2 Amounts and Frequency

Title	Amount at Risk	Frequency
Medical Management (DoHM Score)	<to be defined by bidder> %, annually.	Contractor will reimburse HCA for the full amount at risk no later than 30 days after the DoHM results have been provided, usually between June and August of each calendar year.
Claims Based Trend	Bidder to propose.	
TOTAL amount at risk for outcomes based performance.	At least 10% of total administrative base fees.	

Title	Amount at Risk	Frequency
Full Implementation	10 %, one time only.	Contractor will reimburse HCA for the full amount at risk no later than the end of first quarter 2011 if any one or more of the key milestones are not met.
Data Mapping for VIPS.	5%, one time only.	Contractor will reimburse HCA for the full amount at risk no later than July 1, 2011 if this standard is not met.
TOTAL amount at risk for full UMP implementation.	15% of total administrative base fees (2011 only).	

Exhibit F Contractor's Plan for Providing the Hospital Network

<To be added from bidder proposal>

Exhibit G Contractor's Internal Provider Network Performance Standards

<To be added from bidder proposal>